UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.191/IPC/17
10 January 2001

Original: ENGLISH

Intergovernmental Preparatory Committee for
the Third United Nations Conference on the
Least Developed Countries
Second session
New York, 5 February 2001
Item 1 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

Provisional agenda

1. Adoption of the agenda and organization of work

2. Progress report by the Chairman of the Intergovernmental Preparatory Committee

3. Substantive preparations for the Conference

   (a) Report on national country preparations
   (b) First formal reading of the draft Programme of Action (A/CONF.191/IPC/L.4)

4. Other matters relating to preparations for the Conference

5. Other business

6. Adoption of the report of the Intergovernmental Preparatory Committee on its second session

GE.01-50067
01-21927

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.191/IPC/17/Add.1
26 January 2001

Original: ENGLISH

Intergovernmental Preparatory Committee for
the Third United Nations Conference on the
Least Developed Countries
Second session
New York, 5 - 9 February 2001
Item 1 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

I. PROVISIONAL AGENDA

1. Adoption of the agenda and organization of work

2. Progress report by the Chairman of the Intergovernmental Preparatory Committee

3. Substantive preparations for the Conference

   (a) Report on national country preparations
   (b) First formal reading of the draft Programme of Action (A/CONF.191/IPC/L.4)

4. Other matters relating to preparations for the Conference

5. Other business

6. Adoption of the report of the Intergovernmental Preparatory Committee on its second session

GE.01-50202

01-23451

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

1. At its first session, the Intergovernmental Preparatory Committee (IPC) for the Third United Nations Conference on the Least Developed Countries provided that formal consideration of the draft Programme of Action for the Third United Nations Conference on the Least Developed Countries would be undertaken at the beginning of 2001. In the light of this, at its fifty-fifth session, the General Assembly decided, inter alia, to convene the second session of the Intergovernmental Preparatory Committee from 5 to 9 February 2001 in New York (GA resolution 55/214).

Item 1 Adoption of the agenda and organization of work

2. The provisional agenda has been drawn up in keeping with General Assembly resolutions 54/235 and 55/214.

3. Suggestions for the organization of work and a tentative timetable of meetings are annexed to these annotations.

Item 2 Progress report by the Chairman of the Intergovernmental Preparatory Committee

4. Under this item, the Chairman of the IPC will make a statement. The Secretary-General of the Conference will also make a statement.

Item 3 Substantive preparations for the Conference

(a) Report on national country preparations

5. The secretariat of the Conference will make an oral progress report on this sub-item.

(b) First formal reading of the draft Programme of Action (A/CONF.191/IPC/L.4)

6. As provided at the first session of the Intergovernmental Preparatory Committee and in General Assembly resolution 55/214, the main task of the second session of the IPC will be to undertake the first formal reading of the draft Programme of Action. The draft Programme of Action has already been circulated to Member States (A/CONF.191/IPC/L.4).

Item 4 Other matters relating to preparations for the Conference

7. The Executive Secretary of the Conference will present an oral report on the progress made in the preparations for the Conference. Information will be made available by the secretariat on specific events of the Conference, including interactive debates, civil society and parallel events, and the participation of non-governmental organizations in the Conference and in the final session of the IPC. The Committee may also wish to consider arrangements for its final session and other inter-sessional meetings.

Item 5 Other business

Item 6 Adoption of the report of the Intergovernmental Preparatory Committee on its second session

6. The report of the second session of the Intergovernmental Preparatory Committee will be submitted to the Third United Nations Conference on the Least Developed Countries in May 2001.

Annex

PROPOSED ORGANIZATION OF THE WORK OF THE SESSION

Monday, 5 February 2001

Morning session

10 a.m.

Opening of the meeting

Item 1

Adoption of the agenda and organization of work

Item 2

Statement by the Chairman of the Intergovernmental Preparatory Committee
Statement by the Secretary-General of the conference

Item 3 (a)

Progress report by the secretariat on national country preparations

Item 3 (b)

First reading of the draft Programme of Action
- General exchange of the views on the draft Programme of Action and statements by regional groups and other interested delegations and organizations of the United Nations system and other multilateral organizations

Afternoon session

3.00 p.m.

Item 3 (b) (continued)

Exchange on the draft Programme of Action

Chapter I: Objectives and principles
Chapter II: A framework of partnership
A. Priorities for the decade
B. Main orientations

Tuesday, 6 February 2001

Morning session

10 a.m.

Item 3 (b) (continued)

Chapter II: A framework of partnership
Commitment 1: Fostering a people-centred policy framework
Commitment 2: Promoting good governance

Afternoon session

3.00 p.m.

Item 3 (b) (continued)

Commitment 3: Building human capacities

Wednesday, 7 February 2001

Morning session

10.00 a.m.

Item 3 (b) (continued)

Commitment 4: Strengthening productive capacities

Afternoon session

3.00 p.m.

Item 3 (b) (continued)

Commitment 5: Making globalization work for LDCs

Thursday, 8 February 2001

Morning session

10.00 a.m.

Item 3 (b) (continued)

Commitment 6: Reducing vulnerability and conserving the environment
Commitment 7: Mobilizing financial resources

Afternoon session

3.00 p.m.

Item 3 (b) (continued)

Chapter III: Arrangements for implementation

Friday, 9 February 2001

Morning session

10.00 a.m.

Item 4

Statement by the Executive Secretary
Matters relating to the preparations for Conference, including participation of NGOs and intersessional arrangements
Informal consultations on agenda item 6 (Report of the second session of the IPC)

Afternoon session

3.00 p.m.

Item 5

Other business

Item 6

Adoption of the report

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.191/IPC/18
26 January 2001

Original: ENGLISH

Intergovernmental Preparatory Committee for
the Third United Nations Conference on the
Least Developed Countries
Second session
New York, 5 - 9 February 2001

A COMPENDIUM OF MAJOR CONSTRAINTS ON DEVELOPMENT AND DESIRABLE ACTIONS FOR THE DECADE 2001-2010 IDENTIFIED IN THE COUNTRY-LEVEL PREPARATORY PROCESS FOR THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Prepared by the Conference secretariat

GE.01-50245

INTRODUCTION

1. This compendium has been prepared by the secretariat of the Conference at the specific request of the Chairman of the Intergovernmental Preparatory Committee for the Third United Nations Conference on the Least Developed Countries. The main goals of the Compendium are:

(1) To provide additional inputs for the finalization of the Global Programme of Action for the LDCs for the Decade 2001-2010;

(2) To help the Intergovernmental Preparatory Committee to make an assessment of the preparedness for the Third UN Conference on the LDCs at the country level;

(3) To help those LDCs that have to finalize their National Programmes of Action for 2001-2010 taking into account major constraints and actions relevant to their specific conditions.

2. The document has been prepared on the basis of the drafts of the LDC National Programmes of Action for the Decade 2001-2010 which were available as of mid-January 2001. Conclusions and recommendations of various country and regional level preparatory meetings have also been taken into account.

3. The presentation of the Compendium is based on the general structure of the draft Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/CONF.191/IPC/L.4). The compendium summarizes various constraints faced by different LDCs and related actions that should be taken by both LDCs and their development partners in order to implement each commitment.

COMMITMENT 1	CONSTRAINTS	ACTIONS
Fostering a people-centered policy framework	• There is a low level of socio-economic development in all LDCs, characterized to varying degrees by weak human and institutional capacities, low and unequally distributed income and scarcity of domestic financial resources. There is a widespread crisis of governance, political instability, and in some cases, internal and external conflicts. • These constraints are responsible for insufficient domestic resource mobilization, low economic management capacity, weaknesses in programme design and implementation, etc, that have often resulted in socio-economic stagnation or regress. Poor growth performance, high levels of unemployment and increasing underemployment, increases in refugee population, persistent poverty, and reproduction of the vicious circle of underdevelopment have made LDCs heavily dependent on external resources.	**Actions by LDCs** LDCs should: • Create conditions in which every citizen can feel more physically, economically and socially safe; • Set up appropriate growth-oriented macroeconomic incentives and ensure equitable and efficient collection and use of public resources; • Maintain macroeconomic disciplines by pursuing policies that encourage evolution of the business environment for competitiveness in global markets; • Effectively address the constraints on the promotion of private initiative, investment and enterprise development; • Maintain social stability, and reduce poverty by resolving the problems encountered by the poor in gaining access to food, water, means of production, credit services; • Repatriate, resettle and reintegrate the displaced population, including former combatants; • Establish and strengthen an effective partnership between the Government and civil society; • Involve local communities in planning and implementation of development initiatives. **Actions by development partners** Development partners should: • Foster a spirit of international cooperation and solidarity in strengthening national development efforts (see also the action under commitment 5); • Strengthen regional and subregional cooperation.

COMMITMENT 2	CONSTRAINTS	ACTIONS
Promoting good governance	Different LDCs are characterized by wide variations in governance practices, economic, financial and political institutions, and the role of government, civil society and the private sector. Major constraints to good governance include: - Budgetary shortages, inadequate managerial and administrative skills; - Shortcomings in: • National policies of decentralization, democratization, transparency and respect for human rights, gender equity, and the interests of marginal groups; • Actions related to participatory development; • Measures aimed at developing and improving institutional capacities and efficiency in public administration; • Corruption and capital flight from LDCs; • Frequent turn-over of key personnel in the administration, creating instability and discontinuity in policies, which hinders long-term development efforts. In the extreme cases, the above shortages and shortcomings could lead to the degeneration of the administrative and public-service capacities of the State and even to internal conflict and economic regress. These shortages and shortcomings have a negative impact on economic growth and human sustainable development. In addition, many LDCs are involved in civil strife or outright war.	There is a need to undertake specific actions aimed at strengthening the ability of public and civil society institutions to operate efficiently. **Actions by LDCs** Devise and implement a national plan of good governance, covering its three major components - institutional governance, participative governance and economic governance. - *Institutional governance*. The goal is to install democracy and the rule of law through: • Democratic reforms of the State, strengthening the independence of the executive power, judicial power and legislative power; • Reforms of the judicial system and public administration; • Programmes of civic education and citizens'participation; • Measures to foster transparency, and accountability at all institutional levels, - *Participative governance*. The goal is to ensure the participation of the different segments of society in the definition of the concept of development, its implementation, follow-up and monitoring through: • Decentralization of public administration; • Effective decentralization of decision making; • Strengthening of local civil societies' organizational capacities, - *Economic governance* (management). The goals are: (1) To make public expenditure transparent and accountable and (2) to strengthen macroeconomic management. Among the relevant measures are: • Installation of the appropriate set of control mechanisms; • Improved governance and increased government ownership of reform

		programmes and enhanced consultations with civil society; • Increased parliamentary oversight over State management; • Clear socio-economic policies aimed at poverty reduction; • Ensuring the integration of the principles of democracy and respect for human rights into economic development. **Actions by development partners** • Increase technical assistance from Governments, civil society groups, NGOs, etc; • Discourage excessive expenditure on military hardware; • Provide resources for instituting good governance. • Ensure an international legal environment commensurate with the objectives and aims of good governance (e.g. international anticorruption legislation).

COMMITMENT 3	CONSTRAINTS	ACTIONS
Building human capacities	• Weak human capacities characterized by pervasive ill health and acute shortage of educated and skilled people among the general population constitute a major bottleneck for the socio-economic development of LDCs.	Actions are needed to promote: education, health care, water supply and sanitation, employment, protection and preservation of the environment, housing and settlement. Close attention must be paid to vulnerable groups of the population such as women and children. **Actions by LDCs**
Population policy	• In many LDCs a high rate of population growth is still a fundamental problem which adversely affects efforts to reduce poverty, to allocate resources efficiently, and to provide adequate health services.	• LDCs concerned will further implement population policies to achieve population growth rates which strike a balance in relation to their population, national resources and the environment.

		Actions by development partners • Financial and technical assistance for the implementation of an appropriate national population policy.
Health	• Despite some achievements in a number of LDCs, there remains a chronic shortage of public health services and lack of essential drugs. The present health care systems are old and have deteriorated. Lack of financing, poor organizational and managerial structure and inadequate training of health personnel have led to difficulties and poor health delivery systems, particularly in reaching the rural population. The goals of reducing morbidity and mortality in the under-5 age group and striving to overcome endemic diseases have not been attained. • The HIV/AIDS epidemic has had adverse effects on the economies and human capacities of LDCs.	**Actions by LDCs** • Extend health coverage to those areas and populations which are not covered at present through, inter alia, decentralization of the provision and management of services down to the health district level. • Improve the supply and distribution of medicine and implementation of education policies. • Ensure that essential medicines are available. • Improve the quality of health services • Step up comprehensive plans and campaigns against AIDS. • In addition, encourage the use of health care methods and medecines. **Actions by development partners** • Define, in cooperation with national authorities and WHO, a country-focused health policy. • Increase financial and technical support for national efforts in the implementation of health policies.
Education	• Educational achievements are unsatisfactory in LDCs. A large number of boys and girls leave basic education without attaining functional literacy. Graduates from educational streams are frequently ill prepared for the job they aspired to. The internal efficiency of the education system is low in most LDCs, with still high repetition and drop	**Actions by LDCs** • Substantially increase, at a reasonable cost, the primary and secondary school enrolment rates. • Improve the quality of secondary and higher education. • Provide high-quality literacy courses for adults and raise the literacy rate by using suitable literacy programmes. • Lay more emphasis on technical education and vocational training. • Reduce the gender gap at all educational

	out rates at different levels. The external efficiency of technical education and vocational training is also low. Students have limited opportunity to acquire the technical skills the labour market demands and hence little incentive to attain that technical education. • There is a gap between the needs of the private sector and the curriculum delivered by technical and higher education. • Unemployed graduates are a serious problem. • The problem of brain-drain is serious.	levels. • Formulate educational programmes in which competitive capacity is knowledge driven. • Increase consultation with representatives of the private sector while defining the curricula in technical and higher education. **Actions by development partners** • Define, in cooperation with national authorities, a country-focused education policy. • Increase financial and technical support for the implementation of education policies. • Increase admission of LDC nationals in educational institutions in donor countries. • Provide support to regional cooperation in higher education. Such cooperation could take the form of exchange programmes for students and professors or coordination during the definition of curricula in order to avoid duplication and to obtain possible synergies and complementarities between countries.

COMMITMENT 4	CONSTRAINTS	ACTIONS
Strengthening Productive Capacities	• Structural weaknesses and rigidities and weak capacity to mobilize domestic and external resources keep LDCs vulnerable to the changing dynamics of the international economy, which determines their level of economic activity, their access to global markets and their terms of trade.	• Actions should be taken to strengthen infrastructure in all areas (transport, energy, water supply and telecommunications). • National policy actions should be supported by development partners in a manner that complements the national programmes and policies employed by each LDC to address supply-side weakness. **Actions by LDCs**
Economic Infrastructure	• The basic economic infrastructure in transport, including roads, railways, harbours and civil aviation	• There is a need to set priorities at the national level in consultation with the private sector and civil society. There should be an overall development plan

	networks, energy, water supply and telecommunications is inadequate and does not function reliably. This restricts growth of the LDC productive capacities and the competitiveness of their economies. Moreover, in some LDCs, the existing physical infrastructure has been partly destroyed by natural and man-made disasters, leaving local roads and bridges in a state of disrepair. Many towns and villages are completely isolated. Farms, industries, market facilities, clinics, schools, water and sanitation facilities have also fallen into a state of disrepair reversing the progress and achievement made over years. Among other impediments that limit their productive capacities and undermine the competitiveness of their products that LDCs also often quote, there are: • A lack of efficient infrastructure like storage facilities especially for landlocked LDCs; • The cost and unreliable supply of inputs such as electricity, water, telephone and other communications; • Weak management capacity, weak institutional development, and complicated customs procedures; • Insufficient supply in specialized services for enterprises (such as consultancy in management, marketing, engineering etc.).	for infrastructures with a time frame that will be set taking into consideration the needs of all users. • Infrastructure development plans should, to the extent possible, be coordinated with neighbouring countries in order to achieve synergies. Particular attention in these plans should be given to infrastructure projects which directly serve the basic human needs of the local population (water and energy supply, transportation of agricultural products and food). The development of the physical infrastructure should address the problems related to : • The rapid urbanization process; • Disaster prevention and preparedness; • Insurance schemes for natural hazards; • Mechanisms to protect and develop food security. **Actions by development partners** More attention should be paid to: • Providing substantial and adequate support to complement the efforts of LDCs in the development and maintenance of the infrastructure, especially in the area of maritime transport, railways, roads and airports; • Supporting national efforts to expand and improve transit transport and port facilities in transit countries to facilitate transport to and from land-locked LDCs, and in Island LDCs; • Taking measures to accelerate national efforts in the field of telecommunication and information technology.
Agriculture	A dualistic structure, with a large traditional, primary subsistence sector, with customary land tenure system, co-existing with an export sector. Low productivity and high natural	**Actions by LDCs** Modernization of the agricultural sector in LDCs is highly recommended. The principal aim of this plan is to eradicate poverty by improving the natural resource-based livelihood of the population in a sustainable manner. Modernization implies:

	and economic vulnerability of the primary sector . Reasons: Defective and inefficient techniques of production, weak agricultural support institutions, weak physical infrastructure and lack of other agricultural inputs. In many LDCs, agriculture is vulnerable to different kinds of natural vagaries and there is high economic vulnerability because of high concentration of agricultural products in total exports. • Institutions, research and extension services have disintegrated because of under-funding. • Farmers, especially smallholders, have difficulty in obtaining sufficient credit to buy agricultural inputs, and lack market access for their agricultural products. • Youth are running away from agriculture and the rural sector, and trained manpower in agriculture is moving to other income-generating activities, thereby causing a misallocation of human resources.	• Research and technology, including irrigation technologies; • Advisory services and improved extension services; • Vocational training; • Sustainable natural resource utilization and management; • Access to rural finance; increase in micro-credit schemes for rural entrepreneurs and farmers; • Physical access to markets; • Mainstreaming women in development of the agricultural sector; • Promoting the production of alternative crops/products. **Actions by development partners** Providing greater financial and technical assistance aimed at: • Identifying products for which a given LDC has a comparative advantage and for which there are potential export markets; • Helping the LDC farmers produce alternative crops; • Promoting exports of such alternative crops/products; • Developed countries and developing countries in a position to do so should provide duty-free and quota-free access for all agricultural products originating in the LDCs, as well as more efficient international action on agricultural commodities. Closer coordination in this field between relevant development partners to enhance agricultural policies is highly desirable.
Food Security	• Liberalization of international trade has not reduced food insecurity. Cheap food imports are threatening local food production and can under some circumstances lead to greater food insecurity.	**Actions by LDCs** • Training and aid to boost national food security. • Promoting measures to support small farmers and assist the rural poor in diversifying the sources of their earnings.

		Actions by development partners • The multilateral trading system should be devised in a way that allows for overall harmonious development, including by giving due consideration to specific LDC needs. For reasons of food security, special and differential treatment should be granted to LDCs regarding the definition of their domestic policy for agriculture and their national policy for trade in agricultural goods. • Mechanisms of solidarity to fight severe food shortages should be strengthened.
Manufacturing and processing	• The industrial base of LDCs is underdeveloped. The majority of enterprises are small, poorly equipped with rudimentary technology, deficient in skilled personnel and with limited access to credit, information and market facilities. • In most LDCs, there are no safeguards to protect fragile industries from abusive competition, and this has resulted in the closure of many domestic industries, worsening the situation of unemployment. • SAPs have not allowed domestic industries in LDCs enough time to prepare themselves for international competition.	**Actions by LDCs** • Develop the linkages between the agricultural sector and other sectors with the aim of diversifying production and exports. In this context, rural societies in LDCs need to be provided with development support networks for promoting labour-intensive industrialization to meet the needs of the domestic market and expand the foreign exchange earning base. • LDCs should also promote firm-level competitiveness and provide infant industry with protection policies as may be deemed necessary and appropriate. **Actions by development partners** • Providing greater financial and technical support to complement the domestic efforts of LDCs in the areas of investment promotion (including promoting FDI), technology and enterprise development. • Assisting cooperation between LDCs enterprises and firms in developed and more advanced developing countries.
Mining	LDCs that are naturally rich in mining resources face a number of constraints such as:	**Actions by LDCs** Mining policy in LDCs has to be pursued at two different but interrelated levels. At one level, there should be policy relating to

	• Lack of adequate financial resources for further exploration and for exploitation of known reserves; • Unavailability of adequate basic geographical data; • Lack of an adequate mining code; • Inadequate infrastructure (in transport and storage); • Low level of participation of domestic mine operators.	large-scale, capital-intensive mining operations, which are mostly State or foreign-owned. The second set of policies relate to small-scale mining operations. The common goal for both of them is horizontal and vertical diversification of the sector. In order to obtain this goal, the following action is highly desirable: • Formulation and adoption (where necessary) of a legal and fiscal framework within which investment in exploration and mining can take place; • Developing the capacity to undertake geographical mapping and maintain an updated data bank on mineral resources; • Improving infrastructure in transport and storage; • Strengthening local mineral-based extraction activities and handicrafts; • Upgrading artisanal operations into modern and original small-scale mining units. **Actions by development partners** • Providing technical assistance aimed at developing national capacities to assess local mineral potential, maximize possibilities of its rational exploitation and introduce modern methods of managing mineral sector; • Promoting FDI; • Ensuring that any negative environmental impact of mining is contained.
Improving supply capacities for exports	• Three quarters of LDCs have a significant degree of export concentration, with their two leading products (goods or services) accounting for more than half of total foreign exchange earnings. Only a few LDCs have achieved substantial increases in their share of manufactured total exports;	**Actions by LDCs** Diversification efforts by LDCs should seek to: • Increase exports of manufactured goods and services; • Develop niche exports both in goods and in services; • Promote exports for global markets; • Undertake advocacy and marketing activity in the importing countries; • Develop, strengthen and ensure the

	• Poorly developed financial systems and weak financial institutions constitute a serious constraint on the development of productive capacities and structural transformation in LDCs; • Weak technical and management capabilities do not permit exporters to adapt to the increasingly complex specifications requested by importers from developed and some developing countries in terms of quality, size, delivery time, packaging, etc. • Transit transport bottlenecks due to poor road and railway networks, complex administrative formalities, multiple documentation requirements, etc., impede integration of the LDCs' economies, especially land-locked LDCs, into the global economy	smooth functioning of export financing institutions; • Upgrade skills and technological capacity, linking education, training and work in an integrated framework of regular on-the-job-training schemes; • Reform customs formalities and procedures through simplification and harmonization. **Actions by development partners** The international community should fully utilize opportunities for an integrated approach to developing LDCs' supply capacities and competitiveness. In this connection, the "Integrated Framework for Trade-Related Technical Assistance, including human and Institutional capacity-Building, to support Least Developed Countries in their Trade and Trade-Related Activities" (IF) should be made more useful. • The IF should be adequately financed and strengthened, with mechanisms of inter-agency coordination. • The IF could be reinforced with the participation of other agencies (e.g FAO, UNIDO, International Chamber of Commerce, etc.). • Activities conducted at the individual country level under the IF could be complemented at subregional levels (e.g. to resolve transit-transport problems or market narrowness). **** • The international community should encourage investment protection agreements, taxation allowances in favour of TNCs operating in the LDCs and "investment preferences" wherein venture capital funds could be channelled towards an exclusive use for projects in the LDCs. • Public relations campaigns could raise awareness in partner countries about the export potential of LDCs and the international community's commitment to develop this potential.

COMMITMENT 5	CONSTRAINTS	ACTIONS
Making globalization work for LDCs	• Because of the absence of structural change, the LDCs and especially landlocked and small island countries among them, have been marginalized in world trade and have limited market access. Some of the problems facing them within multilateral trading system relate to difficulties in the implementation of WTO Agreements. Their disadvantageous position also stems from supply constraints and poor trade support services.	The economic integration of LDCs in the globalizing world economy is a major challenge to the LDCs and to their development partners. LDCs risk being further marginalized from the global economy unless they can adapt to the new competitive international environment. LDCs will need to take action with the support of their developed partners in the following areas: • Improving their domestic supply capacities and competitiveness (see commitment 4); • Strengthening their capacity for participation in the multilateral trading system; • Developing human resources for international trade.
Improvements in market access	• Tariff peaks and tariff escalation affect the products of LDCs which are viewed as "sensitive" by their trade partners. • Complicated rules of origin are obstacles to LDCs in their use of preferential market access schemes. • The market access opportunities of LDCs may be affected by the way in which their development partners implement their Uruguay Round commitments (e.g. too rigid interpretation of SPS measures, implementation of commitments under the Agreement on Agricultural and the Agreement on Textiles and Clothing).	**Actions by development partners** • Total and bound duty-free and quota-free access should be granted for all products originating in LDCs. • More flexible rules of origin and notification requirements should be granted. • Some flexibility ought to be granted to LDCs by developed countries in order that an SPS-related problem arising with one or a few exporters would not result in a total ban applied to the whole sector. • Systematic technical assistance should be granted by developed countries to LDCs to solve sanitary, phyto-sanitary or hygiene problems in their exported goods when a ban is imposed for SPS reasons.
Participating in the multilateral trading system	Difficulties in the implementation of the Uruguay Round Agreements by	**Actions by LDCs** Policy reforms in LDCs aimed at creating an enabling environment for promoting trade, investment and private sector growth.

	LDCs relate to: • The administrative burden. • The absence of specialized legislation, legal and administrative skills. • Notification requirements. • Limitations in institutional capacities to participate in multilateral trade negotiations.	Among the main areas of these reforms are the following: • Macroeconomic and trade policy, to enhance the external orientation of economies; • Human resource development, to produce a skilled workers capable of participating effectively in multilateral trade negotiations; • Adoption of a common position when possible and elaboration of a concerted strategy during international trade negotiations. **Actions by development partners** • Provide all kinds of technical assistance related to LDCs' accession to WTO and to implementation by them of the Uruguay Round agreements, and to allow LDCs to prepare themselves for up coming WTO negotiations on services and agriculture.

COMMITMENT 6	CONSTRAINTS	ACTIONS
Reducing vulnerability and conserving the environment	• Since LDC economies are still heavily dependent on agriculture, and the vagaries of nature, many LDCs are vulnerable to natural disasters. At the same time, unsustainable agricultural practices and the hosting of millions of internal and external refugees have affected the ecological balance in several LDCs. Overall, the LDCs' levels of disaster preparedness and prevention of ecological and environment degradation are weak, with a weak infrastructure for water storage and diminished capacity to control water during flooding or conserve seasonal rains in years of drought. • The economic vulnerability of	**Actions by LDCs** LDCs should: • • Reduce the vulnerability of agricultural activities by diversifying agriculture into crops that are less sensitive to external shocks (prices, drought, etc.); • Simultaneously tackle the problems of rural poverty, bad agricultural practice, refugees and environmental degradation in order to achieve an optimum balance between human needs and the natural resource base; • Strengthen national early-warning and natural disaster forecasting mechanisms; • Combat desertification and silting and preserve ecosystems and biodiversity; • Integrate land-based agro-sylvo-pastoral development and action to combat environmental degradation; • Enhance the awareness of local communities, especially women, of the

	• LDCs, in particular landlocked and small islands LDCs, essentially lies in their high exposure to external shocks (such as fluctuations in international commodity prices), which often results from the high degree of economic concentration in fragile activities.	economic and social benefits of environmental protection, including conservation of resources in order to avoid irreversible depletion of valuable species of plants and animals; • Improve disaster preparedness; • Institute mechanisms for monitoring resource levels in order to guard against over-exploitation and associated ecological stress. **Actions by development partners** Development partners should: • Facilitate access to and transfer of modern intensive and ecology-friendly technology; • Provide full support to the UN organizations, including FAO, WMO, UNEP, UNDP, and UN Conventions to combat desertification, on climatic change, etc, in their efforts aimed at reducing vulnerability to natural disasters and conserving the environment in LDCs.

COMMITMENT 7	CONSTRAINTS	ACTIONS
Mobilizing financial resources	• Low income, slow economic growth and the existence of a large informal sector in the economy are not conducive to the mobilization of domestic financial resources and make LDCs very dependent on external resources. • The importance of foreign investment has been growing but mainly in some LDCs which are rich in mineral resources. With very small domestic markets, an inadequate infrastructure, a lack of skilled manpower, and a limited private sector capacity, there are many constraints	**Actions by LDCs** Action should be aimed at: • Improving tax collection and expanding the tax base; • Containing the fiscal deficit: privatizing state-owned non-performing enterprises. • Controlling current expenditure and improving the quality of development expenditure; • Improving the business environment to attract foreign investment and increased transfers from international migrant workers; • Regular calculation of real needs in terms of external financial support by socio-economic sectors and activities; • Improvements in aid utilization levels

	discouraging foreign investment in the LDCs. The bulk of the financing has been provided by ODA. Contrary to the commitment made under the Programme of Action for the Least Developed Countries for the 1990s, evidence indicates a downward trend in overall external development assistance since the mid 1990s. Equally alarming is the situation with respect to the aid utilization level, which has fallen steadily throughout the 1990s. • The debt burden and debt servicing have had an adverse impact on development financing and their effects on private capital inflows are detrimental.	for sustainable development and poverty reduction; **Actions by development partners** They should: • Reverse the declining trend in ODA; • Make concessional aid sufficient in terms of volume and efficient adaptation to countries' individual development needs; • Individually or collectively commit to deeper relief of debt, including substantial debt reduction and different debt operations; • Undertake implementation of projects in developed and developing countries to promote external investment in LDCs; • Promote subregional projects and tripartite cooperation to attract FDI.

8. Arrangements for implementation, follow-up and monitoring and review

4. Effective follow-up and monitoring mechanisms for the implementation of national Programmes of Action represent an important condition for their success. For this purpose, in some programmes there are proposals to transform the National Preparatory Committee into a country-level follow-up and monitoring mechanism after LDC III. In some other programmes there are proposals to transform a local Development Forum (National Preparatory Committee plus Local Development Partners Association) into an efficient follow-up and monitoring mechanism after LDC III.

Criteria of implementation of the national Programmes of Action

5. In some drafts the importance of clear and quantitatively measurable implementation criteria are recognized. In this connection, the criteria and their indicators with quantitative thresholds produced by the Committee for Development Policy of ECOSOC (CDP) and approved by the UN General Assembly for the identification of the LDCs could also be used for measuring the success of the implementation of national Programmes of Action. By comparing these indicators for individual LDCs with relevant thresholds used for graduation from the UN list of LDCs, it would be possible to measure quantitatively the progress achieved in the implementation of national Programmes of Action.

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.191/IPC/18/Corr.1
30 January 2001

Original: ENGLISH

Intergovernmental Preparatory Committee for
the Third United Nations Conference on the
Least Developed Countries
Second session
New York, 5 - 9 February 2001

A COMPENDIUM OF MAJOR CONSTRAINTS ON DEVELOPMENT AND DESIRABLE ACTIONS FOR THE DECADE 2001-2010 IDENTIFIED IN THE COUNTRY-LEVEL PREPARATORY PROCESS FOR THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Prepared by the Conference secretariat

Corrigendum

GE.01-50286
01-23679

Erratum to the Compendium

- Page 6, heading "**Health**", left column (constraints), at the second bullet, please change to read as follows:
"The HIVAIDS epidemic, as well as malaria, tuberculosis, leprosy and other transmittable diseases, have had adverse effects on the economies and human capacities of LDCs."

- Page 6, heading "**Health**", right column (Actions by LDCs), at the fifth bullet, please change to read follows:
"Step up comprehensive plans and campaigns against AIDS and other transmittable diseases."

- Page 6, heading "**Education**", left column (constraints), at the first bullet, please replace the first sentence with:
"Education achievements are unsatisfactory in LDCs. Adult literacy rates are still very low, especially among women"

- Page 9, heading "**Agriculture**", right column (actions by LDCs), at the second bullet, please change to read as follows:
"Improvement and extension of advisory services to farmers;"

- Page 11, heading "**Mining**", right column (actions by LDCs), at the second bullet, please change to read as follows:
"Developing the capacity to undertake geological mapping and maintain an updated databank on mineral resources;"

- Page 14, heading "**Participating in the multilateral trading system**", right column (actions by LDCs), at the second bullet, please change to read as follows:
"Human resource development, to produce high-level profesisonals capable of participating effectively in multilatral trade negotiations;"